COMPT 79-1333

22 October 1979

MEMORANDUM FOR THE RECORD

SUBJECT: OMB Circular A-76 (U)

REFERENCE: Memo for Heads of Executive Departments and Establishments frm OFPP dtd 1 Oct 1979, Subject: Interagency Committee

on Implementation of Circular A-76 (U)

- 1. I called Keith Hall on 16 October 1979 to advise that CIA would not be participating in the <u>Interagency Committee on Implementation of Circular A-76</u> and therefore would not be sending a representative to the OFPP Meeting announced in the last paragraph of the Reference. (U)
- 2. As Mr. Hall was not familiar except in general terms with Circular A-76, I reviewed for him our earlier correspondence and the Agency position on implementation of and compliance with the provisions of the Circular. I assured Mr. Hall that we intended to comply with the spirit and intent of A-76 to the extent possible consistent with operational, security, and cover considerations. However, the latter are pervasive factors for CIA and severely limit our ability to do much with the Circular's requirements. He seemed satisfied with the explanation and agreed that under the circumstances no purpose would be served in sending a representative to the OFPP Meeting on October 17, 1979. Mr. Hall asked that we inform OFPP directly that no CIA representative would attend. Accordingly, I so advised the Office of Mr. William D. Russell (395-7207). Mr. Russell, Deputy Assistant Administrator for Logistics, OFPP, will chair the new committee. (U)

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Chief, Administration Group O/Comptroller

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15 October 1979

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- a. It's impossible to explain anything that comes out of OFPP in 15 words or less.
- b. We get a lot of this type of correspondence and in many instances have been able, through our OMB Examiner, to get an exception from strict compliance on the basis of security, cover, or the protection of sources and methods.
- c. With respect to the attached, it is recommended that we talk to Keith Hall calling his attention to an earlier letter to OMB signed by Jack Blake as Acting DDCI which explained in some detail the Agency's position with respect to implementing in CIA the provisions of the basic circular (A-76). The Acting DDCI's letter (dated 27 October 1978) concluded with the following:

"In sum, while this Agency endorses fully the objectives of Circular A-76 and will be guided by the spirit of its provisions, we will be unable to comply with the letter of its requirements and at the same time meet the DCI's statutory responsibilities cited above."

Since OMB did not take issue with this position, we have assumed that the Agency need not establish the internal staff structure which would be necessary if CIA implementation were required.

In essence, the circular deals with acquiring commercial or industrial products or services for Government use and prescribes an extremely complex and pervasive system for inventorying, analyzing, and evaluating such services with the view toward determining whether existing and future services should be conducted by the Government or through reliance on the private sector.

Subject to your concurrence, I will call Keith, explain our position, and seek his O.K. to pass up the 17 October meeting.

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Chief, Administration Group O/Comptroller

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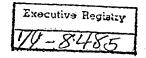
Declassified in Part - Sanitized Copy Approved for Release 2013/07/22: CIA-RDP06M00974R000100230003-6 EXECUTIVE SECRETARIAT (O/DCI) **Routing Slip** TO: **ACTION INFO** DATE DCI 2 DDCI 3 DD/RM DD/NFA 4 DD/CT 5 DD/A 6 7 DD/O DD/S&T 8 9 GC LC 10 IG 11 -STAT 12 Compt X 13 D/PA D/EE0 14 D/Pers 15 AO/DCI 16 17 C/IPS 18 19 20 21 22 SUSPENSE DATE: Remarks: Per your request, attached is Item 4 from the 5 October DDJ. **STAT** U/ Executive Secretary 1<u>0 Oct 79</u>

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## EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503



OFFICE OF FEDERAL PROCUREMENT POLICY

1 1979 OCT

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Interagency Committee on Implementation of Circular A-76

OMB Circular A-76, "Policies for Acquiring Commercial or Industrial Products or Services Needed by the Government," was revised and issued on March 29, 1979 to clarify the Government's policy of reliance on the private sector for goods and services, and provide more specific guidelines for agency implementation. Each agency is required to take actions to implement the revised circular and to submit reports to the Office of Federal Procurement Policy (OFPP).

Submissions received to date by OFPP indicate that many agencies are encountering difficulty in complying with these requirements. To facilitate such compliance, I am responding to suggestions from agencies to provide a means for exchanges of information by establishing an "Interagency Committee on Implementation of Circular A-76." This Committee, to be chaired by William D. 395-7207 Russell, Deputy Assistant Administrator for Logistics, OFPP, will have as its principal objective assistance to agencies in their efforts to achieve consistent, effective, equitable, and expedient implementation of the revised policy.

Specific requirements of Circular A-76 imposed on each agency include:

- Designate an official at the Assistant Secretary or equivalent level to 1. have overall responsibility for implementation.
- Establish an office as a central point of contact to respond to all 2. requests concerning inventories and reviews.
- Issue internal instructions for implementation of the Circular, within 3. 90 days, providing a copy to the Office of Federal Procurement Policy (OFPP).
- Prepare a complete inventory of all Government commercial and 4. industrial activities in the agency and a schedule for review of each activity within the next three years, publishing the schedule and providing a copy to OFPP within 120 days.



- 5. Prepare an inventory of contracts subject to Circular A-76 and a schedule showing when the contracts will expire and be reviewed, publishing the schedule and providing a copy to OFPP within 120 days.
- 6. Establish a procedure for administrative review of determinations under Circular A-76 when objections are raised by an affected party.

Please designate a representative of your agency, preferably at the working level in the office responsible for implementation. The first meeting of this Committee will be at 10:00 a.m. on October 17, 1979 in Room 2010, New Executive Office Building. A major effort at this meeting will be plans for coordinating training for agency personnel in the new cost comparison procedures. Your representative should determine, prior to the meeting, the number and location of the personnel from your agency that require such training.

James D. Currie
Acting Administrator